

August 28, 2002

C-14J

VIA FACSIMILE AND FIRST CLASS U.S. MAIL

Jeffrey D. Jeep, Esq.
The Jeff Diver Group, L.L.C.
1749 S. Naperville Road
Suite 102
Wheaton, IL 60187

Re: City of North Chicago's and Greenfield Partners' requests for U.S. EPA
assurances regarding the R. Lavin and Sons, Inc. property in North Chicago,
Illinois

Dear Mr. Jeep:

Thank you for inviting the U.S. Environmental Protection Agency ("U.S. EPA" or "the Agency") to participate in your meeting with the City of North Chicago ("North Chicago" or "the City") and its developer, Greenfield Partners (Greenfield), on August 19, 2002. At that meeting, you and Greenfield's Robert Rafson verbally presented general plans that the City and Greenfield had for developing the R. Lavin and Sons, Inc. (R. Lavin) property in North Chicago. At that same meeting, you and Mr. Rafson requested that U.S. EPA (as well as other agencies) provide North Chicago with several assurances regarding the R. Lavin property that the City and Greenfield indicated were needed before the City and Greenfield would proceed with redevelopment of the property.

North Chicago's and Greenfield's requests have been discussed within U.S. EPA since the August 19, 2002 meeting. In particular, this matter has been discussed extensively with Joseph Dufficy, U.S. EPA, Region 5, Brownfields Coordinator. Based on those discussions, U.S. EPA wishes to extend to North Chicago and Greenfield the opportunity to discuss the possibility of negotiating a Prospective Purchaser Agreement (PPA) with the Agency. It is possible that a PPA may provide the City and Greenfield with the means of getting the assurances and protections that they seek. Please note, however, that PPAs are not common since the enactment of the new Brownfields law, and any PPA would require the prior authorization of U.S. EPA Headquarters and the U.S. Department of Justice.

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If North Chicago and Greenfield are interested in exploring the possibility of a PPA for the R. Lavin property with the Agency, U.S. EPA requests that North Chicago and Greenfield first provide the Agency with **written** information about the property, including, but not limited to, a description of the City's and Greenfield's plans for redevelopment and/or reuse of the property; information regarding whether the property is tax delinquent; the current market value of the property, (taking into account reusable improvements on the property, but excluding factors such as planned or necessary cleanup costs or costs to demolish condemned structures), and the value of any liens/encumbrances on the property; the identity of all lienholders; the current estimated itemized costs needed to bring the property up to minimum applicable federal, state, and local health and safety standards; a description of each area of the property to be redeveloped and/or reused, anticipated future zoning changes for the property, proposed uses of the property to be redeveloped and/or reused; the estimated number of jobs that will be created by redevelopment and/or reuse of the property; the estimated tax revenues that will be generated by the redevelopment and/or reuse of the property; itemized amounts that the City plans to invest in the property to purchase, redevelop and/or reuse the property, including any expense necessary to investigate and clean the property, and any expense necessary to investigate and clean the property, and the sources of such funding; itemized amounts that Greenfield plans to invest in the property to purchase, redevelop and/or reuse the property, including any expense necessary to investigate and clean the property, and any expense necessary to investigate and clean the property, and the sources of such funding; the projected fair market value of the developed property; sources and amounts of funding for environmental cleanup of the property; a description of each and every assurance and/or protection from liability that the City and Greenfield are seeking from U.S. EPA; and, if the City and/or Greenfield wishes to pursue a PPA with U.S. EPA, the nature and value of the consideration that the City and/or Greenfield would offer to the Agency in exchange for the agreement.

Subsequently, U.S. EPA would welcome a meeting with North Chicago and Greenfield to discuss the possibility of a PPA for the R. Lavin property. It should be noted that the State of Illinois would likely be invited to any meeting that is arranged with the City and Greenfield because of the State's significant interests in the R. Lavin property

U.S. EPA encourages North Chicago and Greenfield to consider exploring the possibility of a PPA for the R. Lavin property with U.S. EPA. We look forward to hearing from you and receiving the requested written information in the near future.

Sincerely,

Cynthia N. Kawakami
Associate Regional Counsel

cc: Robert Rafson, Greenfield Partners
Sean Mulroney, Greenfield Partners
Joseph Dufficy, Brownfields
Bradley Benning, SF
John O' Grady, SF
Eric Cohen, ORC
Janice Loughlin, ORC
Robert Darnell, DOJ
Georgia Vlahos, Dept. of Navy
Perry Sobel, Dept. of Navy (HQ)
Steve Barclay, Dept. of Interior
Todd Goeks, NOAA
Donald Gimble, IEPA